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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

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Division Director

Inspection Report
Minerals Regulatory Program
Date: September 16, 2008

Reviewed: LR

Mine Name: Black Sands 47279	Permit Number: S0470082
Operator Name: Black Sands Holding Co.	Inspection Date: None
Inspector(s): Leslie Heppler	Time: -
Other Participants: None	Mine Status: Inactive

Elements of Inspection	Evaluated	Comment	Enforcemen
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Bond Amount: \$18,600 **Permit fee:** is delinquent

Purpose of Inspection: Operator requested inspection for bond release.

Inspection Summary: Photos attached

No onsite inspection was done. Photos attached are from a private property mining site that Alan Propp took DOGM representative to view.

Conclusions and Recommendations: DOGM to continue to monitor the site until reclamation is achieved. No bond can be released. The site in the photos is not the SITLA lease site. SITLA has record of 2 drill holes that need to be plugged (verbal communication SITLA 09-10-08).

Inspector's Signature

LAH::pb

cc: Black Sands Holding Co. - Frank Ginton, Ed Pucciarelli
(SITLA - Will Stokes)

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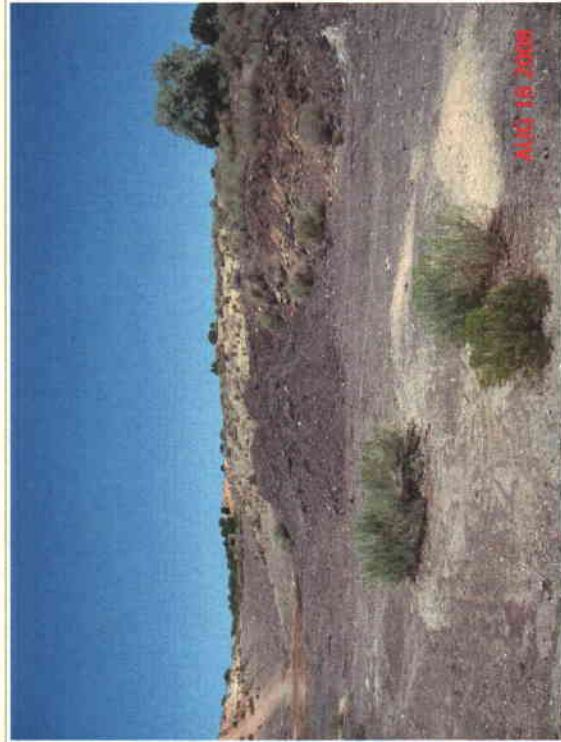
A key is needed to access the site, Private property.



Private property -



Private property - Stockpile



SITLA lease is on the ridgeline, and not in the foreground